

OFFICE OF THE  
**ARIZONA STATE TREASURER**

HON. DEAN MARTIN  
TREASURER



## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

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### **Treasurer Dean Martin Addresses General Fund Crisis General Fund in the Red in Five Weeks Urges Governor & Legislature to Act Quickly**

(STATE CAPITOL, PHOENIX) – Arizona State Treasurer Dean Martin today urged the Arizona Legislature and Governor to quickly reach an agreement to balance the FY 2008 budget.

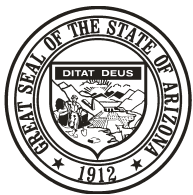
“The General Fund of the State of Arizona will be running RED INK in as little as five weeks if a revised budget is not passed,” said Treasurer Dean Martin. “The government has simply been spending much faster than revenues are coming in.”

“As State Treasurer, I essentially manage the State’s bank. We currently have over \$12.7 billion dollars in deposits invested, of which \$5.2 billion are state funds. We predicted this recession last year, and have been preparing our investment portfolio, including the rainy day fund accordingly.”

Martin continued, “We have structured our investments to ensure there is liquidity for both state and local governments to meet their cash needs during this economic downturn. As a bank we are in very good shape, but the Governor and Legislature have some work to do to make sure the General Fund account is not overdrawn in the next few weeks.”

“We have analyzed the current spending for the first 262 days of this fiscal year (as of March 18<sup>th</sup>), and the state has not slowed its rate of spending during this budget crisis. The exact opposite has occurred; general fund spending is on a pace to even exceed the original FY 08 appropriation.”

**“At the current spending rate, the General Fund only has enough revenue to make one more payment to schools, and perhaps three more paydays for employees before the account is**



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**overdrawn at the bank.”**

“The state has already spent over \$7.6 billion of the General Fund; that is over \$29 million per day. Meanwhile revenues have continued to slide. Both the Governor and the Joint Legislative Budget Committee (JLBC) have lowered their General Fund revenue estimates. Without immediate intervention by the Governor and Legislature to pass a revised FY2008 budget, the General Fund will be overdrawn as soon as April 23 but no later than May 5,” Martin said.

“While the State does have other funds in other accounts, as Treasurer I do not have statutory authority to move money from the State’s other accounts to cover their deficit; only the Legislature and the Governor can move those funds through an appropriation. They need to act quickly before the General Fund account is overdrawn.”

State Treasurer Dean Martin is the Chief Financial Officer for Arizona, third in succession to the Governor, overseeing \$12.7 billion in assets under management. Treasurer Martin has opened government finances to the public on his website [AzTreasury.gov](http://AzTreasury.gov). Last fiscal year, Treasurer Martin made taxpayers over \$730 million and increased investment earnings by 24% over the previous administration.

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